

04 January 2002

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Policy on Case Funding and Program Management Lines  
(USASAC 02-01)

1. References:

- a. DSCA Policy (01-12) dated 23 July 2001, subject: FMS Case-Related Manpower Activities and Associated Costs
- b. USASAC, AMSAC-MP, Memorandum dated 8 Nov 2000, subject: New Policy on Case Funding and Program Management Lines
- c. DoD 5105.38-M (SMM)
- d. DoD 7000.14R, Vol., 15 (FMR)

2. The following guidance replaces Enclosure 1 to the U.S. Army Security Assistance Command (USASAC) policy dated 8 Nov 2000, that established the development, justification and use of case funding for Letters of Offer and Acceptance (LOA).

3. Purpose: This guidance provides the final Defense Security Cooperation Agency (DSCA) matrix delineating the manpower functions and the proper funding source. It details the functions and funding attributable to 39 life-cycle events, from pre-letter of request to case closure. From a historical standpoint, policy guidance was vague and its application was inconsistent. General Accounting Office audits, feedback from Foreign Military Sales (FMS) purchasers and DSCA analyses also prompted the need to clearly articulate what manpower efforts are involved and how those efforts are to be funded.

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4. The Performance Based Costing (PBC) effort, currently under development, may have an impact on how certain case management functions are funded once PBC is deployed. (The 39 life-cycle events are keyed to the seven PBC buckets.) It is anticipated that PBC will enable the security assistance community to utilize a business-based approach for charging direct costs to cases, as appropriate. This contingency has been accommodated for by noting placeholders in the matrix. However, until explicitly superseded via future policy guidance, the attached matrix is official FMS policy.

5. The above policy is effective for new LOAs and amendments submitted after 1 Jan 2002.

6. The USASAC point of contact is Ms. Joan Buchanan, AMSAC-MP, (703) 806-2281 or DSN 656-2281.

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Encl

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Director for Plans, Policy  
and Procedures